

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2007-AH-911**

IN THE MATTER OF:
NEW HORIZON INVESTMENTS, LLC
833 Valley College Drive, Suite 1
Louisville, Kentucky 40272

SETTLEMENT AGREEMENT

BACKGROUND AND FACTUAL FINDINGS

1. The Office of Financial Institutions (OFI) is responsible for regulating, registering, and licensing mortgage loan companies, mortgage loan brokers, and loan officers in accordance with the provisions of KRS Chapter 286.8.
2. During a March 2007 examination of a licensee, OFI discovered that New Horizon Investments, LLC, had funded a loan which was secured by a mortgage on residential real property located in Kentucky without being licensed or otherwise complying with applicable exemption requirements. Thereafter, OFI contacted New Horizon Investments, LLC, and requested documentation regarding any and all loans funded or brokered by them which were secured by mortgages on residential real property located in Kentucky.
3. New Horizon Investments, LLC, disclosed that since 2003, it funded three loans which were secured by mortgages on residential real property located in Kentucky without notifying OFI regarding the making of these loans. It was further discovered that New Horizon Investments, LLC, committed a usury violation of KRS 360.010 on one of the loans.
4. Pursuant to KRS 286.8-030(1)(c), it is unlawful for any person to transact business in Kentucky either directly or indirectly as a mortgage loan company if he is not licensed

with this agency or otherwise exempt by law. Persons making less than five (5) mortgage loans per year are exempt from licensure; however, those persons must notify OFI of each loan in such written form and manner as required by the Office. KRS 286.8-020(2)(e).

5. Violation of any statute within Chapter 286.8 of the Kentucky Revised Statutes can result in a fine of between one thousand (\$1,000) and five thousand (\$5,000) dollars.

AGREEMENT AND ORDER

In the interest of economically and efficiently resolving the issues raised in the foregoing Background and Factual Findings and in consideration of the full disclosure and high level of cooperation demonstrated by New Horizon Investments, LLC, OFI and New Horizon Investments, LLC, agree as follows:

1. New Horizon Investments, LLC, agrees to pay a fine in the amount of one thousand (\$1,000) dollars for the violations set forth above, which shall be made payable to "Kentucky State Treasurer" and mailed to the Office of Financial Institutions, Attn: Jessica Sharpe, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601 on or before the date of execution of this Settlement Agreement.

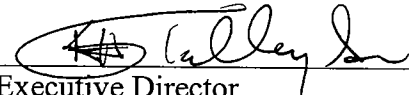
2. Because New Horizon Investments, LLC, ultimately collected no interest on the loan where a usury violation of KRS 360.010 was found on the note, OFI will not require a refund to be made to the consumer.

3. New Horizon Investments, LLC, will endeavor to ensure full compliance with all statutory requirements set forth in Chapter 286.8 of the Kentucky Revised Statutes for all future transactions.

4. In regard to this matter, New Horizon Investments, LLC, waives its right to demand a hearing, at which New Horizon Investments, LLC, would be entitled to legal

representation, to confront and cross examine witnesses for the Office of Financial Institutions, and to present evidence on its own behalf. Further, New Horizon Investments, LLC, consents to and acknowledges the jurisdiction of the Office of Financial Institutions over this matter and that this Agreement is a matter of public record and may be disseminated as such.

IT IS SO ORDERED on this the 27th day of December, 2007.

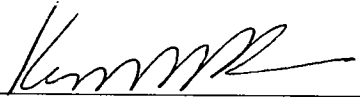

Executive Director

Consented to:

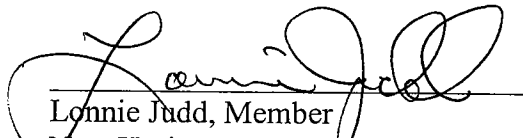
This 26th day of December, 2007

This 12 day of Dec, 2007


David Coyle, Director
Division of Financial Institutions
Office of Financial Institutions


Ken Thieneman, Member
New Horizon Investments, LLC

This 12 day of Dec, 2007


Lonnie Judd, Member
New Horizon Investments, LLC